AN ACCOUNT OF The RISE and CONSTITUTION of the ROYAL BANK of SCOTLAND.

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THE Royal Bank has lately begun to iſſue GUINEA-NOTES, which bear date March 24. 1758, and run thus. "The Royal Bank (purſuant "to act of parliament, and letters-patent under the "great ſeal) is hereby obliged to pay to David Baillie, "ſecretary, or the bearer, on demand, one pound one "ſhilling Sterling."

As the words within the parentheſis, explanatory of the conſtitution of the bank, are not in its former notes, and may raiſe the curioſity of ſome readers, we ſhall give a ſhort account of the riſe of this banking company.

BY the act 5° *Geo.* I. *for ſettling certain yearly funds — to ſatisfy public debts in Scotland, — and to diſcharge the equivalents claimed on behalf of Scotland, in the terms of the treaty of union*, &c. the King was impowered

impowered to incorporate into one body politic and corporate, by letters-patent under the great ſeal of G. Britain, all the proprietors of the debts due to the creditors of the public in Scotland, ſtated to amount to L. 248,550, 9½ d. Sterling; with ſuch powers as to his Majeſty ſhould ſeem meet, concerning the ſaid ſum, which was to be the capital of the corporation, and concerning the ſum of L. 10,000 Sterling, which the act appointed to be paid annually, from June 24. 1719, to the proprietors of that capital, till it ſhould be redeemed by parliament.

ACCORDINGLY, by letters-patent, dated Nov. 21. 1724, 11° *Geo.* I. theſe proprietors were erected into a corporation, by the name of THE EQUIVALENT COMPANY. As ſome of them reſided in Scotland, and ſome of them in England, the company was to have one office in London, and another in Edinburgh; at either of which the proprietors, as they ſhould reſpectively chuſe, were to book their ſtock, and to receive their ſhares of the aforementioned annual ſum, and of the capital when redeemed; and ſtock was to be transferrable from either to the other. The company's affairs were to be under the management of thirteen directors.

THIS company having, by a petition, humbly requeſted the King, to give ſuch of the proprietors as ſhould ſubſcribe their ſtock for that purpoſe, a power of banking in Scotland, and to erect ſuch ſubſcribers into a corporation; his Majeſty, by Royal warrant, dated May 31. 1727, 13° *Geo.* I. authoriſed the directors of the Equivalent company, to receive ſuch voluntary ſubſcriptions as ſhould be made, at Edinburgh, on or before the 29th of September 1727, by any of the proprietors, of all or

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any part of their ſhare of ſtock in that company; and authoriſed thoſe who ſhould ſo ſubſcribe, to be one body politic and corporate, with perpetual ſucceſſion, by the name of THE ROYAL BANK OF SCOTLAND, to have the rights and powers of banking in Scotland; the corporation's affairs to be under the management of a governor, a deputy-governor, and nine ordinary and nine extraordinary directors, to be choſen annually, on the firſt Tueſday of March, out of the members of the corporation, by a majority of the votes of thoſe preſent, and of the proxies of the abſent. Thoſe firſt in office, named by the King, were, Archibald Earl of Ilay, the governor; Sir Hew Dalrymple, Lord Preſident of the Seſſion, the deputy-governor; Andrew Fletcher, one of the Senators of the College of Juſtice, George Drummond, Lord Provoſt of Edinburgh, Patrick Campbell of Monzie, Richard Dowdeſwell, John Philp, James Paterſon, one of the Commiſſaries of Edinburgh, Hugh Somervell Writer to the Signet, Patrick Crawfurd ſenior, and George Irving of Newton, Eſqs, the nine ordinary directors; and Matthew Lant, Chief Baron of the Exchequer, James Erſkine, one of the Senators of the College of Juſtice, Eſqs, Sir John Clerk, one of the Barons of Exchequer, Hew Dalrymple, one of the Senators of the College of Juſtice, George Baillie of Jerviſwood, Charles Cathcart, Receiver-General, George Roſs, one of the Commiſſioners of Exciſe, Charles Areſkine, Solicitor-General, and James Nimmo, Caſhier of Exciſe, Eſqs, the nine extraordinary directors. The corporation was impowered, at any general court to be held within two years after the date of this warrant, to allow the proprietors who ſhould not have ſubſcribed any part or the whole of their ſtock in the Equivalent company, on or before the 29th of September 1727, to ſubſcribe

ſuch part or whole into the ſtock of the bank, upon ſuch terms and at ſuch times as the majority of the court ſhould appoint; and his Majeſty became engaged, on the part of the crown, to grant ſuch further privileges as ſhould, at any time thereafter, be deviſed for rendering this grant more effectual.

In conſequence of this Royal warrant or ſignature, a charter was ſoon paſſed under the great ſeal, the ſtock ſubſcribed to the new corporation being L. 111,347, 19 s. 10$\frac{5}{12}$ d. Sterling; and the bank was opened at Edinburgh, its firſt notes bearing date Dec. 8. 1727. The remainder of the public debt, unſubſcribed to the bank, is the ſeparate ſtock of the Equivalent company, and continues under the management of the directors of that company, at their offices in London and Edinburgh.

By a ſecond charter, dated Nov. 1. 1738, 12° *Geo.* II. the Royal Bank obtained further privileges and powers; and its eſtabliſhment as a bank was rendered perpetual, even though its capital ſhould be redeemed by parliament.